‘Simple portfolios key to long-term investment’

Investing starts simple, then gets complex In the early years, investing feels clear and structured. Goals are defined, portfolios are simple, and SIPs are easy to track. Over time, however, portfolios expand with new funds added for diversification or market opportunities. What once felt straightforward becomes layered and harder to monitor. The focus shifts from choosing investments to managing adjustments. Investing then becomes less about returns and more about handling complexity over the long term.

Understanding portfolio fatigue As portfolios grow, investors may experience “portfolio fatigue” — the strain of tracking multiple funds, rebalancing allocations, and making repeated decisions. This often develops gradually. SIPs may be paused, rebalancing delayed, or responses to market movements become inconsistent. Research shows that portfolios requiring frequent decisions can lead to weaker long-term outcomes, not due to poor products, but inconsistent investor behaviour.

Why fewer decisions improve outcomes Long-term investing depends more on consistency than constant optimisation. Complex portfolios demand attention and frequent choices, leading to hesitation or second-guessing, especially during volatile markets. Over time, maintaining discipline across many moving parts becomes difficult. Simpler portfolios, requiring fewer decisions, are easier to maintain and more likely to stay aligned with long-term goals.

How hybrid funds reduce complexity Hybrid funds combine equity and debt within a single structure, helping reduce investor-level decision-making. Built-in asset allocation: Maintains a defined equity–debt balance without requiring investors to manage separate funds. Lower decision frequency: Allocation adjustments happen within the fund. Smoother journey: The debt component moderates volatility, encouraging investors to stay invested. Clear portfolio role: Can serve as a core allocation, reducing overlap and simplifying monitoring.

Supporting long-term discipline

Over 10–15 years, investor behaviour often impacts outcomes more than market timing. Portfolios that are easier to manage are more likely to be maintained consistently. By reducing reactive decisions and offering a steadier investment experience, hybrid funds can help investors stay aligned with long-term objectives.

Conclusion Portfolio fatigue is an overlooked risk in long-term investing. As complexity grows, consistent engagement becomes harder. By simplifying structure and reducing decision-making, hybrid funds can support disciplined investing. For many, staying invested calmly over time may matter more than constantly chasing optimal allocations. Jayesh Sundar, Fund Manager, Axis Mutual Fund.

The Tamil Nadu government has signed a Memorandum of Understanding (MoU) with KLA India Limited, a subsidiary of KLA Corporation, to establish a Research and Development and Innovation Centre in Chennai with an investment commitment of Rs 3,510 crore. The agreement was signed at a function held at the Secretariat in the presence of Chief Minister M. K. Stalin. The initiative is being facilitated by the state’s Department of Industry, Investment Promotion and Commerce and is expected to strengthen Tamil Nadu’s position in the semiconductor and advanced technology ecosystem. Dy CM Udhayanidhi Stalin and Industries Minister T. R. B. Rajaa were present at the event along with Chief Secretary N. Muruganantham and Industries Secretary V. Arun Roy. Senior officials and representatives from KLA India, including Bobby Bell, Sheikh Yeo, Noori Shafei and Dominic David, also attended the MoU signing ceremony.

Rs. 3.6 lakh cr worth defence projects cleared

In one of the largest capital procurement clearances in recent years, the Defence Acquisition Council (DAC), chaired by Defence Minister Rajnath Singh, has approved defence acquisition proposals worth about Rs.3.60 lakh crore. The decisions, cleared on February 12, 2026, are expected to significantly strengthen India’s military capabilities while providing a major push to the domestic defence manufacturing ecosystem.

Among the headline approvals is the plan to procure 114 Rafale fighter jets for the Indian Air Force and six long-range maritime reconnaissance aircraft for the Indian Navy. According to the Ministry of Defence, the Acceptance of Necessity (AoN) for the Air Force also covers advanced combat missiles and an Air-Ship Based High Altitude Pseudo Satellite (AS-HAPS), aimed at strengthening surveillance, intelligence gathering and precision strike capabilities.

A significant portion of the fighter jet production is expected to take place in India, reinforcing the government’s focus on indigenisation, technology transfer and job creation within the domestic aerospace and defence supply chain.

The DAC also granted approvals for the Indian Army to procure Vibhav anti-tank mines and to undertake upgrades of legacy platforms including Armoured Recovery Vehicles, T-72 tanks and BMP-II Infantry Combat Vehicles. These modernisation projects are expected to create sustained opportunities for Indian defence manufacturers involved in maintenance, repair and overhaul (MRO) services.

In the naval segment, approval for a 4 MW Marine Gas Turbine-based Electric Power Generator under the Make-I category of the Defence Acquisition Procedure 2020 highlights the government’s emphasis on indigenous research and development, aiming to reduce long-term dependence on foreign suppliers.

The Indian Coast Guard will receive advanced Electro-Optical/ Infra-Red (EO/IR) systems for its Dornier aircraft, enhancing coastal surveillance and maritime security — areas increasingly relevant to India’s trade routes and blue economy ambitions.

From a business perspective, the approvals represent a large pipeline of defence contracts that could stimulate domestic manufacturing, MSME participation and technology partnerships with global firms. The procurement cycle is also expected to strengthen India’s long-term defence industrial base, drive localisation of high-value components and create new opportunities across aerospace, electronics, shipbuilding and advanced engineering sectors.

Strategically, the investment signals India’s continued push toward military modernisation while aligning defence spending with economic development goals — a trend that analysts say will reshape both the country’s security architecture and its industrial growth trajectory over the coming decade.

TN SDL to be repaid at par in March

The Government of Tamil Nadu has announced that the outstanding balance of the 8.53% Tamil Nadu State Development Loan (SDL), 2026, issued under a Finance Department notification dated March 3, 2016, will be repaid at par on March 9, 2026. Interest on the security will be paid up to and including March 8, 2026, and no interest will accrue thereafter.

If March 9 is declared a public holiday by any State Government under the Negotiable Instruments Act, 1881, repayment will be made on the previous working day through the designated paying offices. According to the Government Securities Regulations, 2007, maturity proceeds for securities held in Subsidiary General Ledger (SGL), Constituent SGL accounts or Stock Certificates will be credited directly to the registered holder’s bank account through electronic payment or issued via pay order. Investors must ensure that their bank account details are updated with the Bank, Treasury, Sub-Treasury or the designated branch of State Bank of India where interest payments are registered. In cases where bank account details are not available, holders must tender their securities at the Public Debt Office at least 20 days in advance, duly discharged on the reverse with the endorsement: “Received the Principal due on the Certificate”.

Where treasury operations are handled by branches of State Bank of India, stock certificate holders must submit securities directly at the respective bank branch instead of the Treasury or Sub-Treasury. Holders seeking payment at locations different from their registered payment centres are advised to send duly discharged securities to the concerned Public Debt Office by Registered and Insured Post. Payment will be issued through a draft payable at any Treasury, Sub-Treasury or authorised State Bank of India branch conducting government treasury work in Tamil Nadu.

Moody’s pegs India’s FY27 GDP growth at 6.4%

Moody’s Ratings recently projected India’s real GDP to grow at 6.4 per cent in fiscal year 2026-27, the fastest among G-20 economies, supported by strong domestic consumption, policy measures, and a stable banking system.

Moody’s said Indian banks’ asset quality will remain resilient, although some stress may persist among micro, small, and medium enterprises (MSMEs).

In its banking system outlook report, it added that banks have sufficient reserves to absorb potential loan losses.

The ratings agency said the operating environment for banks will remain strong in 2026, backed by robust macroeconomic conditions and ongoing structural reforms.

“We forecast India’s real GDP will grow 6.4 per cent for fiscal 2026-27, the fastest pace among G-20 economies, driven by strong domestic consumption and policy measures,” Moody’s said.

It noted that the rationalisation of the goods and services tax (GST) in September 2025, along with an earlier increase in personal income tax thresholds, will improve affordability for consumers and support consumption-led growth.

Moody’s FY27 growth projection is lower than the 6.8-7.2 per cent range estimated by the Finance Ministry in the Economic Survey tabled in Parliament last month.

According to official estimates, India is expected to grow by 7.4 per cent in the current fiscal year (2025-26), compared with 6.5 per cent growth in 2024-25.

On monetary policy, Moody’s said that with inflation under control and growth momentum remaining strong, the Reserve Bank of India (RBI) is likely to ease policy further in fiscal 2026-27 only if there are clear signs of an economic slowdown.

The agency expects system-wide loan growth to accelerate slightly to around 11-13 per cent in fiscal 2026-27, compared with 10.6 per cent growth recorded so far in fiscal 2025-26. “Corporate loan quality will remain healthy, supported by strong balance sheets and improved profitability among large companies,” Moody’s said, adding that recoveries are likely to taper as banks have already resolved most stressed loans of large corporates.

Moody’s also said banks will maintain strong capitalisation, supported by internal capital generation keeping pace with asset growth. Banks’ funding and liquidity positions are expected to remain stable.

Direct tax collections up 9.4%

India’s net direct tax collections for the financial year 2025-26 have grown by 9.40 per cent to Rs 19,43,743.97 crore as on February 10 compared to Rs 17,76,728.11 crore in the corresponding period last year, according to official data released on Wednesday here.

Gross direct tax collections during the period stood at Rs 22,78,068.60 crore, registering a growth of 4.09 per cent over Rs 21,88,554.86 crore collected in the same period of FY 2024-25.

Corporate tax collections contributed Rs 10,88,533.85 crore to the gross kitty in FY26 so far, marginally higher than Rs 10,08,222.87 crore collected a year ago. Non-corporate tax collections, which include taxes paid by individuals, HUFs, firms and other entities, rose to Rs 11,38,897.14 crore from Rs 11,28,071.65 crore in the previous year.

Securities Transaction Tax (STT) collections also witnessed an uptick, increasing to Rs 50,279.17 crore from Rs 49,201.40 crore in the year-ago period.